

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)
FEDERAL INSURANCE MITIGATION ADMINISTRATION (FIMA)
APPEAL DECISION

FEMA Flood Insurance Appeal Decision #B19

OVERVIEW

The policyholder filed an appeal in May 2020, alleging their flood insurance carrier (hereinafter “insurer”) improperly denied part of their claim under the Standard Flood Insurance Policy (SFIP)¹ for damages to covered property arising from a flood event dated August 2017.²

In its review, FEMA found the following facts relevant:

- At the time of the loss, the policyholder had \$184,000 in building coverage.
- The insured property is a single-family townhome insured under the dwelling form.
- In September 2017, an adjuster inspected the property and recorded 15 inches of floodwaters to the exterior and 9 inches to the interior of the building.
- The insurer issued the policyholder payments for covered building damages totaling \$86,113.73. This payment includes allowances to detach and reset the granite countertops in the kitchen.
- In November 2018, the policyholder replaced the granite countertops in the kitchen.
- In a letter dated March 2020, the insurer denied coverage for damage to the countertops, noting that the countertops were successfully removed and stored, but broken by the contractor during installation.
- The policyholder appeals the insurer’s denial of coverage for replacement of the granite countertops. The policyholder states that the countertop had stress fractures that the adjuster was not aware of.
- The policyholder did not provide any substantive or contradictory evidence to support their appeal, therefore, FEMA’s decision of this review is based on the documentation in the claim file.

RULES

The insurer agrees to pay the policyholder for direct physical loss by or from flood to covered property, provided the policyholder complies with all terms and conditions of the SFIP.³

¹ See 44 C.F.R. § 61.13 (2016); Dwelling Form available at 44 C.F.R. pt. 61 App. A(1) [hereinafter “SFIP”].

² The policyholder files this appeal under 44 C.F.R. § 62.20. The appeals process is available after the insurer issues a written denial, in whole or in part, of the policyholder’s claim. The policyholder’s appeal and related documents concerning the appeal, claim, or policy are on file with FEMA, Federal Insurance and Mitigation Administration, Federal Insurance, Policyholder Services Division, Appeals Branch [hereinafter “Appeal File”].

³ See SFIP (I), (II)(B)(12).

The SFIP requires the policyholder to submit documentation that fully supports the items being claimed and the payment requested amount. The SFIP places the documentation requirements to substantiate and support their loss on the policyholder.⁴

ANALYSIS

The policyholder appeals the insurer's decision to deny coverage for replacement of granite countertops.

The SFIP will pay for direct physical loss by or from flood if there is evidence of physical changes to the property and if the policyholder complies with all terms and conditions of the policy. The SFIP requires the policyholder to submit documentation that fully supports the items being claimed and the payment requested amount.

A review of the claim file shows that the adjuster included allowances for detaching and resetting the granite countertops. The adjuster photographs taken at the inspection show the countertops were already removed and appeared undamaged, as they were being stored inside the unit during the remediation process. The policyholder's appeal states the contractor was able to remove most countertops safely from several of the townhome units, however, countertops from 11 of the units were broken during the removal process. The policyholder states the countertop had stress fractures, which caused the countertop to break during installation, but provides no documentation or evidence to support this statement.

The SFIP requires the policyholder to submit documentation that fully supports the items being claimed and the payment requested amount. The policyholder has not provided any substantive documentation, photographs, or any statement from the contractor explaining care taken during the removal or installation process. The policyholder can best support a request for payment when unavoidable damage occurs during the removal and replacement process with clear photographs of the damage at the time of occurrence and a signed detailed statement from the removal or repair contractor. The signed detailed statement must explain the action taken to remove the item, state how the damage occurred, and address salvage.⁵ If the policyholder is able to obtain this documentation, showing that the damage to the countertop occurred during removal and that the damage was unavoidable, it should be provided directly to the insurer for review.

Based on the information presented, the insurer properly denied coverage for the granite countertop. There is no evidentiary basis for FEMA to overturn the denial or instruct the insurer to re-evaluate.

CONCLUSION

Based on the facts and analysis above, FEMA concurs with the insurer's decision to deny coverage for the replacement of the granite countertops.

⁴ See SFIP (VII)(J)(3)-(5).

⁵ See Addendum to the National Flood Insurance Program Adjuster Claims Manual Special Adjustment Issues, Part 3 – Section VIII (Mar. 2017).

